

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3132-01
Bill No.: HB 1240
Subject: Agriculture and Animals; Agriculture Dept.; Business and Commerce
Type: Original
Date: January 10, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$0	(\$20,000)	(\$20,000)
Total Estimated Net Effect on <u>All</u> State Funds	\$0	(\$20,000)	(\$20,000)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration-Division of Budget and Planning** assume there would not be additional costs or savings to their agency from this proposal. They note this proposal would result in a minimal decrease to total state revenue.

Officials from the **Department of Agriculture** (AGR) assume that the elimination of the \$5.00 licensing fees will decrease general revenue by approximately \$21,000 per year. AGR's assumptions on the reduction of general revenue were based on the FY02 licensing period which indicated 256 dealers and 3,947 retailers paid \$5.00 licensing fees. Additionally, the elimination of the license fees will result in the reduction of postage fees and printing costs to general revenue estimated at \$1,000. The estimated net effect on the General Revenue Fund is a loss of \$20,000 in Fiscal Years 2004 and 2005. There is no fiscal impact reflected for Fiscal Year 2003. License fees are due on July 1 for the upcoming licensing year; therefore, essentially all fees for FY03 would be paid before this legislation becomes effective on August 28, 2002.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE FUND			
<u>Savings</u> - Department of Agriculture Expense and Equipment	\$0	\$1,000	\$1,000
<u>Loss</u> - Department of Agriculture Licensing Fees	<u>\$0</u>	<u>(\$21,000)</u>	<u>(\$21,000)</u>
Estimated Net Effect on GENERAL REVENUE FUND	<u>\$0</u>	<u>(\$20,000)</u>	<u>(\$20,000)</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2003 (10 Mo.)	 FY 2004	 FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Long-Range Implications

AGR noted that the elimination of the licensing requirements will make it difficult to monitor businesses for egg quality at the retail level. Currently, all new businesses are required to obtain

an egg license making the department aware of their business activity.

FISCAL IMPACT - Small Business

Small businesses affected by this proposal would no longer have to pay these license fees and would expect a decrease in paperwork.

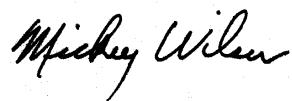
DESCRIPTION

This proposal removes the annual \$5 license fee for egg retailers and the annual \$5 license fee for egg dealers selling 25 or fewer cases of eggs (30 dozen per case) in any one week.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration-Division of Budget and Planning
Department of Agriculture



Mickey Wilson, CPA
Acting Director
January 10, 2002